

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 939

Introduced by Assembly Member Yee

February 20, 2003

An act to add ~~Sections 5781 and 14132.74~~ *Section 5781* to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 939, as amended, Yee. ~~Telemedicine: psychiatric~~ *Psychiatric* inpatient hospital services: reimbursement.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Existing law requires the State Department of Mental Health to implement managed mental health care for Medi-Cal beneficiaries through fee-for-service or capitated rate contracts with mental health plans, including individual counties, counties acting jointly, any qualified individual or organization, or a nongovernmental entity. Existing law authorizes counties to contract with mental health providers to provide mental health services to Medi-Cal beneficiaries.

~~Under existing law, the State Department of Health Services is required to allow psychiatrists to receive fee for service Medi-Cal reimbursement for services provided through telemedicine until June 30, 2004, or until the State Department of Mental Health and mental health plans, in collaboration with stakeholders, develop a method for reimbursing psychiatric services provided through telemedicine that is administratively feasible for the mental health plans, primary care~~

~~providers, and psychiatrists providing the services, whichever occurs later.~~

Existing regulations establish reimbursement procedures for the reimbursement of acute psychiatric inpatient hospital services for each fee-for-service Medi-Cal hospital with a contract with a mental health provider, and for the reimbursement of those services for each ~~such hospital~~ *of these hospitals* without ~~such a contract~~ *one of these contracts*.

~~This bill would provide that mental health providers that provide services to Medi-Cal beneficiaries under a contract with a provider of psychiatric inpatient hospital services, and mental health providers that provide mental health services to Medi-Cal beneficiaries through telemedicine, shall be reimbursed in the same manner as providers of acute psychiatric inpatient hospital services.~~ *Medi-Cal reimbursement for a psychiatrist who has admitting privileges at a hospital that has a Medi-Cal fee-for-service contract and that offers inpatient hospital professional services based on a contract with any mental health plan shall be calculated on a per diem rate established through negotiations between the psychiatrist and the mental health plan in the county in which the psychiatrist has these admitting privileges. This bill would also provide that the psychiatrist may authorize the hospital to negotiate a contract with a mental health plan on the psychiatrist's behalf.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5781 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 ~~5781. Mental health providers that provide services to~~
- 4 *5781. (a) Medi-Cal reimbursement for a psychiatrist who*
- 5 *has admitting privileges at a hospital that has a Medi-Cal*
- 6 *fee-for-service contract and that offers inpatient hospital*
- 7 *professional services based on a contract with any mental health*
- 8 *plan shall be calculated on a per diem rate established through*
- 9 *negotiations between the psychiatrist and the mental health plan*
- 10 *in the county in which the psychiatrist has these admitting*
- 11 *privileges.*

1 (b) Notwithstanding subdivision (a), a psychiatrist may allow
2 the hospital described in subdivision (a) to negotiate a contract on
3 the psychiatrist's behalf with the mental health plan in the county
4 in which the hospital is located.

5 (c) If signed by the hospital and the mental health plan in the
6 county in which the hospital is located, the contract negotiated
7 pursuant to subdivision (b) shall be a valid contract for purposes
8 of Medi-Cal reimbursement for psychiatric inpatient hospital
9 professional services for all other mental health plans if the
10 contract, at a minimum, meets the federal contracting
11 requirements as provided in Section 434.6 of Title 42 of the Code
12 of Federal Regulations and includes the provisions outlined in
13 Section 1810.436 of Title 9 of the California Code of Regulations.

14 (d) For purposes of this section, the following definitions
15 apply:

16 (1) "Hospital" means a hospital that submits reimbursement
17 claims for Medi-Cal psychiatric inpatient hospital services
18 through the Medi-Cal fiscal intermediary.

19 (2) "Psychiatric inpatient hospital professional services"
20 means specialty mental health services provided to a Medi-Cal
21 beneficiary by a licensed psychiatrist with hospital admitting
22 privileges while the beneficiary is in a psychiatric inpatient
23 hospital.

24 ~~Medi-Cal beneficiaries under a contract with a provider of~~
25 ~~psychiatric inpatient hospital services shall be reimbursed in the~~
26 ~~same manner as providers of acute psychiatric inpatient hospital~~
27 ~~services in accordance with Article 1 (commencing with Section~~
28 ~~1820.100) of Subchapter 2 of Chapter 11 of Title 9 of the~~
29 ~~California Code of Regulations.~~

30 ~~SEC. 2. Section 14132.74 is added to the Welfare and~~
31 ~~Institutions Code, to read:~~

32 ~~14132.74. Mental health providers that provide services to~~
33 ~~Medi-Cal beneficiaries through telemedicine shall be reimbursed~~
34 ~~in the same manner as providers of acute psychiatric inpatient~~
35 ~~hospital services in accordance with Article 1 (commencing with~~
36 ~~Section 1820.100) of Subchapter 2 of Chapter 11 of Title 9 of the~~
37 ~~California Code of Regulations.~~